

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7017

BILL NUMBER: SB 553

NOTE PREPARED: Jan 22, 2011

BILL AMENDED:

SUBJECT: Civil Forfeiture.

FIRST AUTHOR: Sen. Arnold

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- A. It provides that a prosecuting attorney may initiate a civil forfeiture by notifying the owner of the seized property of the intent to seize the property, and specifies that the property will be forfeited if the owner does not timely object.
- B. It provides that the owner of forfeited property may object to the forfeiture by objecting in writing to the forfeiture and (if the owner is not indigent) providing a 10% bond.
- C. It specifies that the prosecuting attorney is entitled to 22% of forfeited funds, the clerk of the courts to 3% of the funds, and the law enforcement agency that seized the property to 75% of the funds.
- D. It prohibits a prosecuting attorney from retaining an attorney to bring a forfeiture action, and prohibits adoptive forfeiture (where seized property is transferred to a federal court for a forfeiture action) unless required by federal law.

Effective Date: July 1, 2011.

Explanation of State Revenues: Under this bill, the Common School Fund would receive no money from asset seizure in drug cases. As an illustration of what effect this bill could have on state and local revenues, the State Auditor's data system reports that the Common School Fund received \$102,472 from controlled substance seizures in FY 2010.

Under this bill, the proceeds from asset seizures would be distributed as follows:

- 25% would be deposited into the county general fund with 3% appropriated to the county clerk and

- 22% appropriated for the prosecuting attorney.
75% would be appropriated for the law enforcement agency that seized the property. If the Indiana State Police seized the property, the proceeds would be deposited into the Drug Interdiction Fund (a state dedicated fund).

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill could increase the amount of revenue that the county general fund would receive from the seizure and sale of these assets. The money deposited into the general fund would have to be set aside for clerks of the circuit court, the prosecuting attorney, and the local law enforcement agencies. Using FY 2010 collections as an illustration, counties where these assets were seized would gain \$102,472 if only local law enforcement agencies were involved in the seizure.

See *State Explanation of State Revenues*.

State Agencies Affected: State Treasurer.

Local Agencies Affected: Local law enforcement agencies; Prosecuting attorneys; Clerk of the circuit court.

Information Sources: State Treasurer.

Fiscal Analyst: Mark Goodpaster, 317-232-9852.